



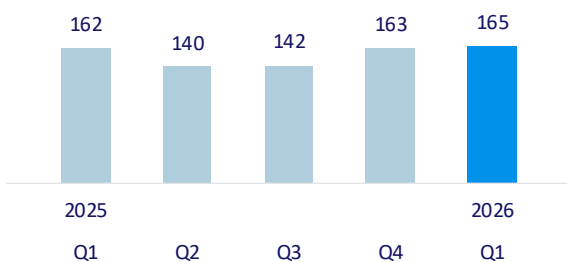
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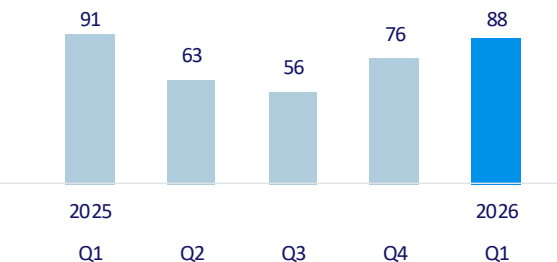


Key figures

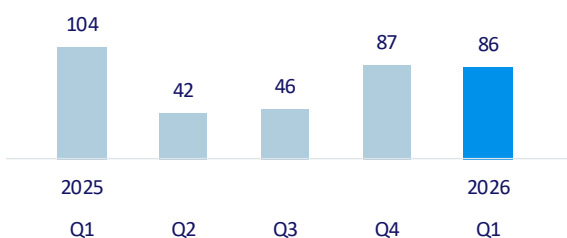
Operating revenues



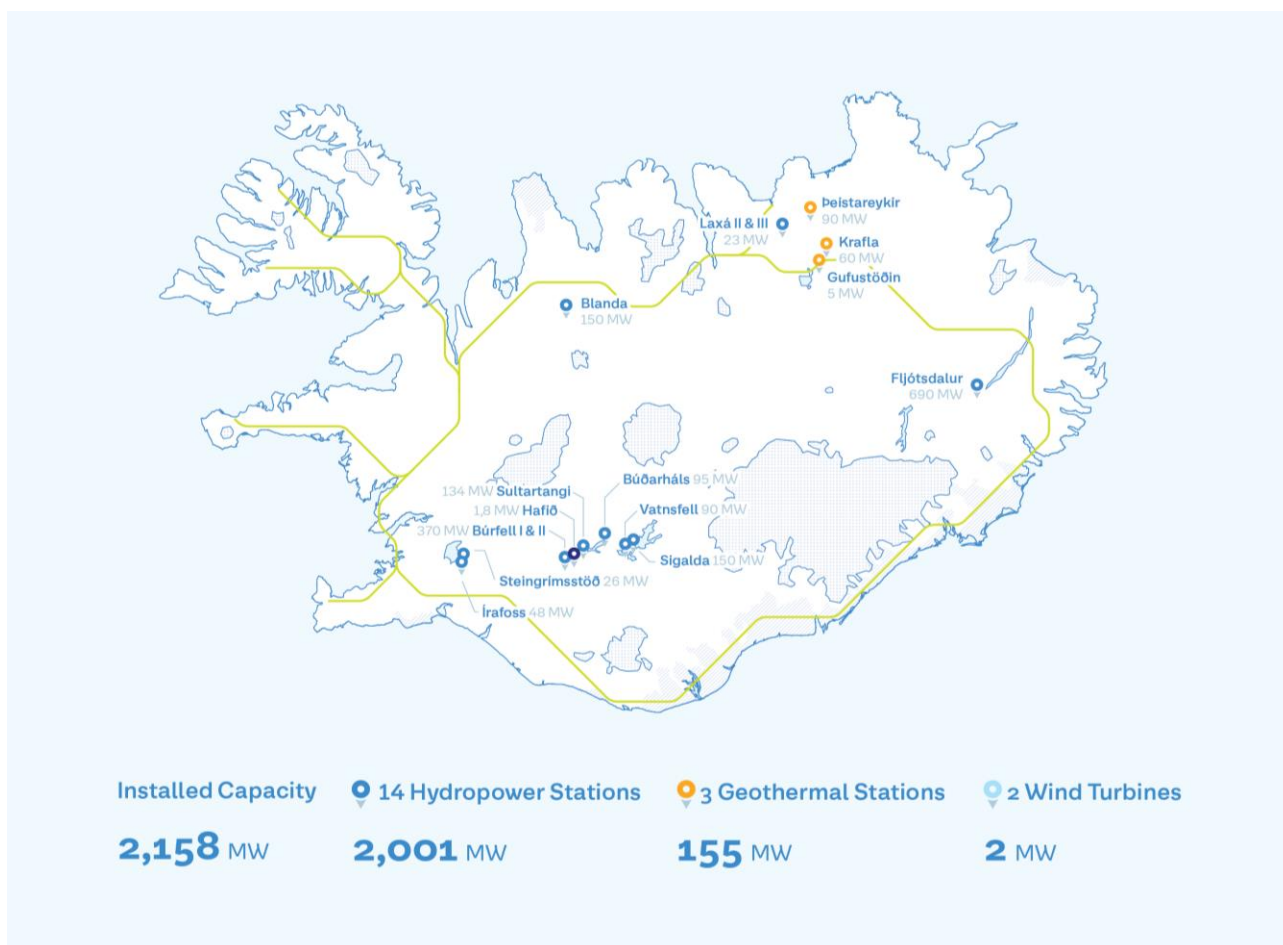
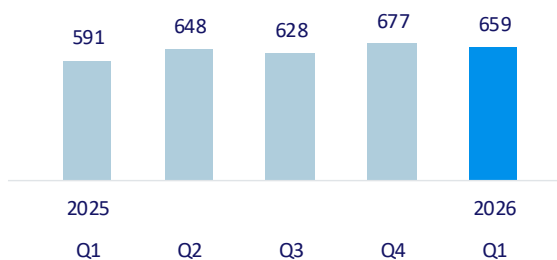
Profit before unrealised financial items



Cash flow from operating activities



Net debt



Key figures

Management's presentation of the operation of Landsvirkjun

Amounts are in USD thousand

	2026 1.1.-31.3.	2025 1.1.-31.3.	2024 1.1.-31.3.	2023 1.1.-31.3.	2022 1.1.-31.3.
Operation					
Operating revenues	169,681	162,710	142,354	162,032	174,884
Realised hedges	(4,213)	(285)	1,370	13,391	(27,836)
Total operating revenues	165,468	162,425	143,724	175,423	147,048
Operating and maintenance expenses	(48,886)	(44,977)	(38,550)	(37,452)	(40,562)
EBITDA	116,582	117,448	105,174	137,971	106,486
Depreciation and impairment loss	(25,301)	(24,730)	(25,006)	(26,579)	(26,470)
EBIT	91,281	92,718	80,168	111,392	80,016
Financial items	(3,863)	(2,022)	(3,164)	(2,944)	(7,960)
Subsidiaries and associated companies	332	411	357	227	5,230
Profit before unrealised financial items	87,750	91,107	77,361	108,675	77,286
Unrealised financial items:					
Fair value changes in embedded derivatives	(17,635)	9,480	(22,668)	14,953	162,243
Fair value changes in other derivatives	(7,987)	(390)	(807)	34,723	(62,119)
Unrealised foreign exchange difference	(756)	(4,981)	2,462	(9,253)	788
	(26,378)	4,109	(21,013)	40,423	100,912
Profit before income tax	61,372	95,216	56,348	149,098	178,198
Income tax	(22,764)	(37,073)	(21,802)	(57,510)	(65,670)
Profit for the period	38,608	58,143	34,546	91,588	112,528
Balance sheet					
	31.3.2026	31.3.2025	31.3.2024	31.3.2023	31.3.2022
Total assets	3,616,756	3,527,256	3,641,298	3,815,436	3,916,953
Total equity	2,349,126	2,361,807	2,397,952	2,388,164	2,326,721
Total liabilities	1,267,630	1,165,449	1,243,346	1,427,272	1,590,232
Net debt*	658,576	590,533	601,873	711,336	974,454
Cash flow					
	1.1.-31.3.	1.1.-31.3.	1.1.-31.3.	1.1.-31.3.	1.1.-31.3.
Funds from operation (FFO)	112,227	112,300	102,265	132,218	97,241
Cash flow from operating activities	85,549	104,138	101,316	144,419	101,050
Investing activities	(69,684)	(23,736)	(8,122)	(6,579)	11,143
Financing activities	(12,926)	(72,862)	(12,834)	(177,454)	(76,837)
Liquidity					
	31.3.2026	31.3.2025	31.3.2024	31.3.2023	31.3.2022
Cash and cash equivalents	58,112	88,911	164,884	113,578	102,168
Undrawn loans	125,000	125,000	125,000	150,000	150,000
Total liquidity	183,112	213,911	289,884	263,578	252,168
Key ratios					
Return on equity **	7.9%	7.7%	6.4%	6.0%	10.4%
Equity ratio	65.0%	67.0%	65.9%	62.6%	59.4%
Interest cover (EBITDA/net interest exp)**	41.95x	40.95x	43.10x	18.00x	8.92x
FFO / net debt**	57.9%	68.9%	74.7%	64.3%	32.9%
FFO / interest expense**	16.90x	14.10x	13.64x	12.70x	7.70x
Net debt / EBITDA**	1.65x	1.40x	1.30x	1.46x	2.68x
Credit rating without state guarantee at the end of March					
Standard & Poor's	A-	A-	A-	BBB+	BBB+

*Net debt is interest bearing liabilities less cash and cash equivalents

**Key ratios based on the past 12 months

Endorsement and Statement of the Board of Directors and CEO

Landsvirkjun's objective is to operate in the energy sector and to engage in other business and financial operations according to the decision of the Board of Directors at any time. The Company's interim financial statements for the period from 1 January to 31 March 2026 are prepared in accordance with IAS 34 Interim Financial Reporting and additional requirements in the Icelandic Financial Statements Act and include the financial statements of the Company which include the results of the subsidiaries, Icelandic Power Insurance Ltd. and Landsvirkjun Power ehf. and associated companies. Landsvirkjun does not prepare consolidated interim financial statements. The interim financial statements have not been audited or reviewed by the Company's auditors.

According to the income statement, the Company's profit for the period from January to March 2026 amounted to USD 38.6 million while the profit during the same period in 2025 amounted to USD 58.1 million. The decrease between periods amounted to USD 19.5 million. The fair value changes of derivatives were negative and amounted to USD 25.6 million during the period January to March 2026 compared to a positive difference of USD 9.1 million during the same period in the previous year. The Company's operating revenues amounted to USD 165.5 million during the period compared to USD 162.4 million during the same period in the previous year. Cash flow from operations amounted to USD 85.5 million during the period compared to USD 104.1 million during the same period in the previous year. At the end of March 2026 cash and cash equivalents amounted to USD 58.1 million and undrawn loans amounted to USD 125.0 million, a total of USD 183.1 million. The Company's equity at the end of March amounted to USD 2,349.1 million according to the balance sheet compared to USD 2,311.1 million at year-end 2025. At the annual general meeting on 21 April 2026 a dividend payment to the owners of Landsvirkjun amounting to USD 165.0 million was approved for the year 2025.

Statement by the Board of Directors and the CEO

According to the best knowledge of the Board of Directors and the CEO, the financial statements are in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and additional requirements in the Icelandic Financial Statement Act. According to the best knowledge of the Board of Directors and the CEO the financial statements give a fair view of the Company's assets, liabilities and financial position as at 31 March 2026 and the Company's operating results and changes in cash flow during the period from January to March 2026.

Furthermore, it is the opinion of the Board of Directors and the CEO that the interim financial statements and the Endorsement by the Board of Directors for the period from January to March 2026 give a fair view of the Company's results, financial position and development and describe the main risk factors faced by the Company.

The Board of Directors and the CEO have today discussed the interim financial statements for the period 1 January to 31 March 2026 and confirm them by means of their signatures.

Reykjavik, 2 June 2026.

The Board of Directors:

Brynja Baldursdóttir

Berglind Ásgeirsdóttir

Sigurður Magnús Garðarsson

Hörður Þórhallsson

Þórdís Ingadóttir

The CEO:

Hörður Arnarson

Income Statement

	Notes	2026 1.1.-31.3.	2025 1.1.-31.3.
Operating revenues			
Power sales	6	156,160	141,780
Realised hedges	(	4,213)	(285)
Other income		13,521	20,930
		<u>165,468</u>	<u>162,425</u>
Operating expenses			
Energy generation costs		55,745	54,493
Cost of general research		3,607	3,174
Other operating expenses		14,835	12,040
		<u>74,187</u>	<u>69,707</u>
Operating profit		<u>91,281</u>	<u>92,718</u>
Financial income and (expenses)			
Interest income		2,650	4,272
Interest expenses	(	5,186)	(6,486)
Foreign exchange difference	(	2,083)	(4,789)
Fair value changes in embedded derivatives	(	17,635)	9,480
Fair value changes in other derivatives	(	7,987)	(390)
	7	<u>(30,241)</u>	<u>2,087</u>
Subsidiaries and associated companies		<u>332</u>	<u>411</u>
Profit before income tax		61,372	95,216
Income tax	(	22,764)	(37,073)
Net profit for the period		<u>38,608</u>	<u>58,143</u>

Notes 1 to 13 are an integral part of these interim financial statements.

Statement of Comprehensive Income

	2026 1.1.-31.3.	2025 1.1.-31.3.
Profit for the period	38,608	58,143
Items that will not be reclassified subsequently to profit or loss:		
Pension obligation after income tax, change	(446)	(496)
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedge, effective portion after income tax	(107)	0
Transl. diff. due to subsidiaries and associated companies	7	349
Operating items transferred to equity	(546)	(147)
Total comprehensive income for the period	38,062	57,996

Notes 1 to 13 are an integral part of these interim financial statements.

Balance Sheet

Assets	Notes	31.3.2026	31.12.2025
Non-current assets			
Property, plant and equipment		2,766,524	2,783,274
Projects under construction		129,637	95,216
Development cost		184,971	179,895
Other intangible assets		49,901	50,183
Derivative financial instruments	8	59,280	85,071
Subsidiaries		5,322	5,161
Associated companies		6,111	5,933
Loans to related parties		42,425	42,415
Shares in other companies		815	787
Total non-current assets		3,244,986	3,247,935
Current assets			
Accounts receivable and other receivables		102,348	88,410
Related parties, receivables		157,759	158,405
Derivative financial instruments	8	53,551	32,966
Cash and cash equivalents		58,112	56,105
Total current assets		371,770	335,886
Total assets		3,616,756	3,583,821
Equity and liabilities			
Equity			
Owners' contributions		586,512	586,512
Restricted reserves		4,069	3,693
Translation difference	(	15,873)	(15,880)
Cash flow hedge	(	107)	0
Other equity		1,774,525	1,736,739
Total equity		2,349,126	2,311,064
Long-term liabilities			
Interest-bearing liabilities	9	516,597	528,897
Accrued pension liabilities		46,281	46,167
Deferred income tax liability		300,388	301,804
Lease obligation		11,253	11,562
Decommissioning obligation		595	525
Derivative financial instruments	8	5,283	5,803
		880,397	894,758
Current liabilities			
Accounts payable and other payables	11	132,556	81,493
Interest bearing liabilities	9	200,091	203,977
Income tax payable		23,847	83,583
Related parties, liabilities		85	17
Derivative financial instruments	8	30,654	8,929
		387,233	377,999
Total liabilities		1,267,630	1,272,757
Total equity and liabilities		3,616,756	3,583,821

Notes 1 to 13 are an integral part of these interim financial statements.

Statement of Equity

	Owners' contribution	Restricted reserves	Translation difference	Cash flow hedge	Other equity	Total equity
1 January to 31 March 2026						
Equity at 1 January 2026.....	586,512	3,693	(15,880)	0	1,736,739	2,311,064
Profit for the period.....					38,608	38,608
Translation difference.....			7			7
Pension obligation, change.....					(446)	(446)
Cash flow hedge.....				(107)		(107)
Total comprehensive income.....		0	7	(107)	38,162	38,062
Share of profit of subsidiaries and associated comp. transf..		376			(376)	0
Equity at 31 March 2026.....	586,512	4,069	(15,873)	(107)	1,774,525	2,349,126
1 January to 31 March 2025						
Equity at 1 January 2025.....	586,512	3,172	(16,652)	0	1,730,779	2,303,811
Profit for the period.....					58,143	58,143
Translation difference.....			349			349
Pension obligation, change.....					(496)	(496)
Cash flow hedge.....				0		0
Total comprehensive income.....		0	349	0	57,647	57,996
Share of profit of subsidiaries and associated comp. transf..		183			(183)	0
Equity at 31 March 2025.....	586,512	3,355	(16,303)	0	1,788,243	2,361,807

Notes 1 to 13 are an integral part of these interim financial statements.

Statement of Cash Flows

	2026 1.1.-31.3.	2025 1.1.-31.3.
Operating activities		
Operating profit	91,281	92,718
Depreciation and impairment loss	25,301	24,730
Pension obligation, change	(714)	(577)
Other changes	(95)	68
Working capital from operations before financial items	115,773	116,939
Operating assets and liabilities, change	(9,670)	14,355
Cash flow from operating activities before financial items	106,103	131,294
Interest income received	647	1,827
Interest expenses and foreign exch. difference paid	(5,203)	(9,195)
Taxes paid	(15,998)	(19,788)
Cash flow from operating activities	85,549	104,138
Investing activities		
Power stations in operation	(5,789)	(3,798)
Power stations under construction	(45,366)	(3,849)
Power plant preparation cost	(17,365)	(5,670)
Purchased shares in other companies	(26)	0
Received dividend	0	34
Other investments	(1,309)	(10,458)
Assets sold	171	5
Investing activities	(69,684)	(23,736)
Financing activities		
Amortisation of long-term debt	(12,926)	(72,862)
Financing activities	(12,926)	(72,862)
Change in cash and cash equivalents	2,939	7,540
Effect of exch. difference on cash and cash equivalents	(932)	2,590
Cash and cash equivalents at the beginning of the year	56,105	78,781
Cash and cash equivalents at the end of the period	58,112	88,911

Notes 1 to 13 are an integral part of these interim financial statements.

Notes

Reporting entity

1. Landsvirkjun

Landsvirkjun is a partnership which operates in Iceland and has its headquarters at Katrínartún 2, Reykjavík, Iceland. Landsvirkjun operates in accordance with the Act on Landsvirkjun no. 42/1983. The Company's main objective is to engage in operations in the energy sector. The interim financial statements include the financial statements of the Company and its shares of subsidiaries and associated companies.

2. Statement of compliance with IFRS

The interim financial statements have been prepared in accordance with International Accounting Standard IAS 34 Interim Financial Reporting as adopted by the EU and additional requirements in the Icelandic Financial Statements Act. They do not encompass all the information necessary for complete annual financial statements, and should be read in conjunction with the financial statements for the year ended 31 December 2025.

3. Significant accounting policies

The interim financial statements are prepared using the same accounting policies as for the year 2025 except that the Company has adopted new International Accounting Standards, as adopted by the EU, for the accounting period beginning 1 January 2026, changes to the standards and new interpretations. The Company has not implemented new or amended standards that have been issued but are not yet in effect. The financial statements for the year 2025 can be found on its website www.landsvirkjun.com and on the website of Nasdaq Iceland: www.nasdaqomxnordic.com.

The interim financial statements are presented in USD, which is the Company's functional currency. Amounts are presented in USD thousand unless otherwise stated.

4. Use of estimates and judgements

The preparation of interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

5. Segment information

All operations of the Company fall under one segment. Landsvirkjun's objective, according to law, is to operate in the energy sector and to engage in other business and financial operations according to the decision of the Board of Directors at any time. Landsvirkjun harnesses hydroelectric power, geothermal power and wind power. Landsvirkjun sells all of its electricity generation in Iceland, both to retail sales companies and to power-intensive industrial users.

6. Operating revenues

	2026	2025
	1.1.-31.3.	1.1.-31.3.
Power sales are specified as follows:		
Retail sales companies	34,376	40,675
Power-intensive users	121,784	101,105
Power sales total	156,160	141,780

Notes, contd.:

7. Financial income and (expenses)

	2026	2025
Financial income and (expenses) are specified as follows:	1.1.-31.3.	1.1.-31.3.
Interest income	2,650	4,272
Interest expense	(6,520)	(6,640)
State guarantee fee	(145)	(138)
Effect of discounting a decommissioning obligation	(4)	0
Capitalised interest	1,483	292
Total interest expense	(5,186)	(6,486)
Realised foreign exchange difference	(1,327)	192
Unrealised foreign exchange difference	(756)	(4,981)
Total foreign exchange difference	(2,083)	(4,789)
Fair value changes in embedded derivatives	(17,635)	9,480
Fair value changes in other derivatives	(7,987)	(390)
Financial income and (expenses)	(30,241)	2,087

8. Derivative financial instruments in the balance sheet

Derivative financial instruments in the balance sheet are specified as follows:

	31.3.2026	31.12.2025
Assets:		
Embedded derivatives in power contracts	95,112	112,746
Aluminium hedges	14,650	1,141
Currency and interest rate swaps	3,069	4,150
	112,831	118,037
Derivative financial instruments are divided as follows:		
Long-term component of derivative agreements	59,280	85,071
Short-term component of derivative agreements	53,551	32,966
	112,831	118,037
Liabilities:		
Aluminium hedges	35,765	14,732
Cash flow hedge	172	0
	35,937	14,732
Derivative financial instruments are divided as follows:		
Long-term component of derivative agreements	5,283	5,803
Short-term component of derivative agreements	30,654	8,929
	35,937	14,732

During the period, the company applied hedge accounting.

Notes, contd.:

9. Liabilities

Interest-bearing long-term debt is categorised by currencies as follows:

	Maturity date	31.3.2026 Average interest	Remaining balance	31.12.2025 Average interest	Remaining balance
Liabilities in EUR	2026	2,1%	172,467	2,2%	176,348
Liabilities in USD	2026-2035	4,0%	544,221	4,0%	556,526
			716,688		732,874
Current maturities of long-term debt			(200,091)		(203,977)
Total long-term debt			516,597		528,897

Interest rates on the loans range between 2.1-5.4%. Nominal interest rates for the period were on average 3.5%, taking into account the state guarantee fee (2025: 3.5%).

According to loan agreements, the maturities of long-term debt are as follows:

	31.3.2026
1.4.2026-31.3.2027	200,091
1.4.2027-31.12.2027	15,225
2028	131,764
2029	69,384
2030	119,384
2031	69,384
Later	111,456
	716,688

10. Comparison of fair value and book value of loans to related parties and long-term liabilities

	31.3.2026 Book value	Fair value	31.12.2025 Book value	Fair value
Interest-bearing loans issued by the Icelandic state ..	194,435	197,869	197,025	199,386
Interest-bearing long term liabilities	(716,688)	(731,893)	(732,874)	(750,273)

Fair value of other financial instruments is equal to book value.

Fair value of interest-bearing loans to related parties and liabilities is calculated by discounting the expected cash flows using the underlying currencies yield curves.

11. Accounts payable and other payables

Accounts payable and other payables are specified as follows:

	31.3.2026	31.12.2025
Accounts payable	27,161	51,926
Accrued interest	6,711	5,725
Value added tax	19,261	10,006
Income tax payable due to last year	60,311	0
Lease liability, current maturities	2,239	2,127
Other short term liabilities	16,873	11,709
	132,556	81,493

Notes, contd.:

12. Fair value classification

The table displays the level categorisation for items in the interim financial statements that are valued at fair value.

	Level 2	Level 3	Total
31.3.2026			
Embedded derivatives		95,112	95,112
Other derivatives	(18,217)	(	18,217)
Shares in other companies		815	815
	(18,217)	95,927	77,710
31.12.2025			
Embedded derivatives		112,746	112,746
Other derivatives	(9,442)	(	9,442)
Shares in other companies		787	787
	(9,442)	113,533	104,091

13. Other matters

At the annual general meeting on 21 April 2026 a dividend payment to the owners of Landsvirkjun amounting to USD 165 million was approved for the year 2025.

In a letter dated 9 February 2024, the Icelandic Competition Authority formally notified Landsvirkjun of its decision to initiate an investigation into whether provisions in contracts with power-intensive customers, specifically those restricting the resale of electricity under long-term contracts without prior approval from Landsvirkjun, are in violation of competition law or the provisions of the EEA Agreement.

Since 2020, following a complaint, the Competition Authority has been conducting a review and investigation into whether Landsvirkjun's participation in Landsnet's transmission loss auctions during the period 2017–2021 constituted a violation of competition law. The Competition Authority concluded on 18 August 2025 that the price charged by Landsvirkjun for electricity sold to Landsnet was too low and fined the Company USD 11.4 million. The decision has been appealed to the Competition Appeals Committee.

ESA, the EFTA Surveillance Authority, announced its decision on 30 April 2025 to open an investigation into whether Landsvirkjun has violated EEA competition rules by refusing to supply electricity to companies seeking to produce hydrogen and/or electric fuels. This is solely a decision to open an investigation and does not imply that ESA has reached a conclusion on any violation nor does it indicate the final outcome of the investigation.

PCC BakkiSilicon hf. has ceased operations and there is uncertainty regarding the future of the plant. Contract negotiations between Landsvirkjun and PCC BakkiSilicon hf. are ongoing and a parent company guarantee is in place.

A malfunction occurred in electrical equipment at the Norðurál aluminium smelter at Grundartangi in October 2025. This resulted in production at the smelter being reduced by approximately two-thirds. Landsvirkjun supplies Norðurál with about one-third of the electricity the smelter uses. The power contracts include a purchase obligation on the part of Norðurál. There is a dispute as to whether the purchase obligation applies in this case, which will be resolved in accordance with the dispute resolution provisions of the power purchase agreements. Landsvirkjun's insurance coverage includes business interruption insurance intended to compensate Landsvirkjun for the majority of the loss suffered.